



CONSUMER ALERT

Fraud Target: Senior Citizens

The FBI's [Common Fraud Schemes webpage](#) provides tips on how you can protect you and your family from fraud. Senior Citizens especially should be aware of fraud schemes.

Why should Senior Citizens be concerned?

It has been the experience of the FBI that the elderly are targeted for fraud for several reasons:

- 1) Older American citizens are most likely to have a "nest egg," own their home and/or have excellent credit all of which the con-man will try to tap into. The fraudster will focus his/her efforts on the segment of the population most likely to be in a financial position to buy something.
- 2) Individuals who grew up in the 1930s, 1940s, and 1950s were generally raised to be polite and trusting. Two very important and positive personality traits, except when it comes to dealing with a con-man. The con-man will exploit these traits knowing that it is difficult or impossible for these individuals to say "no" or just hang up the phone.
- 3) Older Americans are less likely to report a fraud because they don't know who to report it to, are too ashamed at having been scammed, or do not know they have been scammed. In some cases, an elderly victim may not report the crime because he or she is concerned that relatives may come to the conclusion that the victim no longer has the mental capacity to take care of his or her own financial affairs.
- 4) When an elderly victim does report the crime, they often make poor witnesses. The con-man knows the effects of age on memory and he/she is counting on the fact that the elderly victim will not be able to supply enough detailed information to investigators such as: How many times did the fraudster call? What time of day did he/she call? Did he provide a call back number or address? Was it always the same person? Did you meet in person? What did the fraudster look like? Did he/she have any recognizable accent? Where did you send the money? What did you receive if anything and how was it delivered? What promises were made and when? Did you keep any notes of your conversations?

The victims' realization that they have been victimized may take weeks or, more likely, months after contact with the con-man. This extended time frame will test the memory of almost anyone.

- 5) Lastly, when it comes to products that promise increased cognitive function, virility, physical conditioning, anti-cancer properties and so on, older Americans make up the segment of the population most concerned about these issues. In a country where new cures and vaccinations for old diseases have given every American hope for a long and fruitful life, it is not so unbelievable that the products offered by these con-men can do what they say they can do.

What to Look For and How to Protect Yourself and Your Family--

Health Insurance Frauds:

Medical Equipment Fraud:

Equipment manufacturers offer "free" products to individuals. Insurers are then charged for products that were not needed and/or may not have been delivered.

"Rolling Lab" Schemes:

Unnecessary and sometimes fake tests are given to individuals at health clubs, retirement homes, or shopping malls and billed to insurance companies or Medicare.

Services Not Performed:

Customers or providers bill insurers for services never rendered by changing bills or submitting fake ones.

Medicare Fraud:

Medicare fraud can take the form of any of the health insurance frauds described above. Senior citizens are frequent targets of Medicare schemes, especially by medical equipment manufacturers who offer seniors free medical products in exchange for their Medicare numbers. Because a physician has to sign a form certifying that equipment or testing is needed before Medicare pays for it, con-artists fake signatures or bribe corrupt doctors to sign the forms. Once a signature is in place, the manufacturers bill Medicare for merchandise or service that was not needed or was not ordered.

Some Tips to Avoiding Health Insurance Frauds

- Never sign blank insurance claim forms.
- Never give blanket authorization to a medical provider to bill for services rendered.
- Ask your medical providers what they will charge and what you will be expected to pay out-of-pocket.
- Carefully review your insurer's explanation of the benefits statement. Call your insurer and provider if you have questions.
- Do not do business with door-to-door or telephone salespeople who tell you that services of medical equipment are free.
- Give your insurance/Medicare identification only to those who have provided you with medical services.
- Keep accurate records of all health care appointments.

- Know if your physician ordered equipment for you.

Counterfeit Prescription Drugs

Some Tips to Avoiding Counterfeit Prescription Drugs

- Be mindful of appearance. Closely examine the packaging and lot numbers of prescription drugs and be alert of any changes from one prescription to the next.
- Consult your pharmacist or physician if your prescription drug looks suspicious.
- Alert your pharmacist and physician immediately if your medication causes adverse side effects or if your condition does not improve.
- Use caution when purchasing drugs on the Internet. Do not purchase medications from unlicensed online distributors or those who sell medications without a prescription. Reputable online pharmacies will have a seal of approval called the Verified Internet Pharmacy Practice Site (VIPPS), provided by the Association of Boards of Pharmacy in the United States.
- Product promotions or cost reductions and other "special deals" may be associated with counterfeit product promotion.

Funeral and Cemetery Fraud

Some Tips to Avoiding Funeral and Cemetery Fraud

- Be an informed consumer. Take time to call and shop around before making a purchase. Take a friend with you who may offer some perspective to help make difficult decisions. Funeral homes are required to provide detailed general price lists over the phone or in writing.
- Educate yourself fully about caskets before you buy one and understand that caskets are not required for direct cremations.
- Understand the difference between funeral home basic fees for professional services and any fees for additional services.
- You should know that embalming rules are governed by state law and that embalming is not legally required for direct cremations.
- Carefully read all contracts and purchasing agreements before signing and make certain that all of your requirements have been put in writing.
- Make sure you understand all contract cancellation and refund terms, as well as your portability options for transferring your contract to other funeral homes.
- Before you consider prepaying, make sure you are well informed. When you do make a plan for yourself, share your specific wishes with those close to you.
- And, as a general rule governing all of your interactions as a consumer, do not allow yourself to be pressured by vendors into making purchases, signing contracts, or committing funds. These decisions are yours and yours alone.

Fraudulent "Anti-Aging" Products

Some Tips to Avoiding Fraudulent "Anti-Aging" Products

- If it sounds too good to be true, it probably is. Watch out for "Secret Formulas" or "Breakthroughs."
- Don't be afraid to ask questions about the product. Find out exactly what it should do for you and what it should not.
- Research a product thoroughly before buying it. Call the Better Business Bureau to find out if other people have complained about the product.
- Be wary of products that purport to cure a wide variety of illnesses (particularly serious ones) that don't appear to be related.
- Testimonials and/or celebrity endorsements are often misleading.
- Be very careful of products that are marketed as having no side effects.
- Products that are advertised as making visits to a physician unnecessary should be questioned.
- Always consult your doctor before taking any dietary or nutritional supplement.

Telemarketing Fraud

If you're age 60 or older, you may be a special target for people who sell bogus products and services by phone. Older women living alone are special targets of these scam artists. Telemarketing scams often involve offers of prizes, low-cost vitamins and health care products, and travel offers.

There are warning signs to these scams, including promises of "free" or "low cost" vacations and get rich quick schemes. If you hear these--or similar--"lines" from a telephone salesperson, just say "no thank you," and hang up the phone:

- "You must act 'now' or the offer won't be good."
- "You've won a 'free' gift, vacation, or prize." But you have to pay for "postage and handling" or other charges.
- "You must send money, give a credit card or bank account number, or have a check picked up by courier." You may hear this before you have had a chance to consider the offer carefully.
- "You don't need to check out the company with anyone." The callers say you do not need to speak to anyone including your family, lawyer, accountant, local Better Business Bureau, or consumer protection agency.
- "You don't need any written information about their company or their references."
- "You can't afford to miss this 'high-profit, no-risk' offer."

Remember, if you hear the lines above, or similar "lines" from a telephone salesperson, just say "no thank you," and hang up the phone:

Some Tips to Avoiding Telemarketing Fraud:

It's very difficult to get your money back if you've been cheated over the phone. Before you buy anything by telephone, remember:

- Don't buy from an unfamiliar company. Legitimate businesses understand that you want more information about their company and are happy to comply.
- Always ask for and wait until you receive written material about any offer or charity. If you get brochures about costly investments, ask someone whose financial advice you trust to review them. But, unfortunately, beware -- not everything written down is true.
- Always check out unfamiliar companies with your local consumer protection agency, Better Business Bureau, state Attorney General, the National Fraud Information Center, or other watchdog groups. Unfortunately, not all bad businesses can be identified through these organizations.
- Obtain a salesperson's name, business identity, telephone number, street address, mailing address, and business license number before you transact business. Some con artists give out false names, telephone numbers, addresses, and business license numbers. Verify the accuracy of these items.
- Before you give money to a charity or make an investment, find out what percentage of the money is paid in commissions and what percentage actually goes to the charity or investment.
- Before you send money, ask yourself a simple question. "What guarantee do I really have that this solicitor will use my money in the manner we agreed upon?"
You must not be asked to pay in advance for services. Pay services only after they are delivered.
- Some con artists will send a messenger to your home to pick up money, claiming it is part of their service to you. In reality, they are taking your money without leaving any trace of who they are or where they can be reached.
- Always take your time making a decision. Legitimate companies won't pressure you to make a snap decision.
Don't pay for a "free prize." If a caller tells you the payment is for taxes, he or she is violating federal law.
- Before you receive your next sales pitch, decide what your limits are -- the kinds of financial information you will and won't give out on the telephone.
- It's never rude to wait and think about an offer. Be sure to talk over big investments offered by telephone salespeople with a trusted friend, family member, or financial advisor.
- Never respond to an offer you don't understand thoroughly.
- Never send money or give out personal information such as credit card numbers and expiration dates, bank account numbers, dates of birth, or social security numbers to unfamiliar companies or unknown persons.
- Your personal information is often brokered to telemarketers through third parties.
- If you have been victimized once, be wary of persons who call offering to help you recover your losses for a fee paid in advance.
- If you have information about a fraud, report it to state, local, or federal law enforcement agencies.

Internet Fraud

As Internet use among Senior Citizens increases, so does their chances to fall victim to Internet Fraud. Internet Fraud includes non-delivery of items ordered over the Internet and credit/debit

card fraud. Please visit the [FBI's "Internet Fraud" webpage](#) for details about these crimes and tips to protect yourself.

Investment Schemes

Senior Citizens, as they plan for retirement, may fall victim to investment schemes. These may include Advance Fee Schemes, Prime Bank Note Schemes, Pyramid Schemes, and Nigerian Letter Fraud schemes. Please visit the ["Common Fraud Schemes" webpage](#) for more information about these crimes and tips for protection.

The Department of Insurance, Securities and Banking (DISB) works for consumers to protect fraudulent, deceptive, and unfair business practices in the marketplace and to provide information to help consumers spot, stop, and avoid them. To file a complaint or to get free information on consumer issues, visit: www.disb.dc.gov or contact Andres Izaguirre on 202-535-1410.

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